

Message Text

CONFIDENTIAL

PAGE 01 LUXEMB 00369 220749Z

10

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 PA-01

PRS-01 /095 W

----- 010751

R 211615Z MAY 75

FM AMEMBASSY LUXEMBOURG

TO SECSTATE WASHDC 4418

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS UNN

C O N F I D E N T I A L LUXEMBOURG 0369

E.O. 11652: GDS

TAGS: ENRG

SUBJ: SECRETARY'S SPEECH ON ENERGY AND RAW MATERIALS

REF: STATE 110686

1. ECONOMIC OFFICER MET WITH CHARLES REICHLING, MFA
DIRECTOR OF INTERNATIONAL ECONOMIC RELATIONS, MAY 21
TO DISCUSS SECRETARY'S SPEECH. REICHLING HAD EARLIER
DECLINED TO COMMENT ON SPEECH UNTIL HE COULD STUDY
THE COMPLETE TEXT.

2. REICHLING WELCOMED THE SPEECH AS A SIGNIFICANT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LUXEMB 00369 220749Z

STEP TOWARD A MEANINGFUL NORTH-SOUTH DIALOGUE AND

NOTED THAT THE SPEECH INDICATED AN INCREASED FLEXIBILITY AND WILLINGNESS ON THE PART OF THE US TO ADAPT TO THE NEW REALITIES IN NORTH-SOUTH RELATIONS. HE THOUGHT THAT THE US WOULD NEED TO START THINKING SERIOUSLY HOWEVER, ABOUT SOME MEANS OF STABILIZING PRICES OR EARNINGS FOR LDC PRODUCERS OF RAW MATERIALS. ACCORDING TO REICHLING, THE STABEX SCHEME INCORPORATED IN THE LOME AGREEMENT HAD BEEN A ABITTLE PILL FOR HIM TO SWALLOW, PARTICULARLY IN VIEW OF THE GOL'S VOTES AGAINST SIMILAR SCHEMES PROPOSED BY THE GROUP OF 77 DURING THE UN DEBATE ON THE CHARTER OF ECONOMIC RIGHTS. NEVERTHELESS, HE IS CONVINCED THAT NO PACKAGE WILL BE ACCEPTABLE TO THE DEVELOPING BLOC UNLESS SOME METHOD OF STABILIZING PRICES OR EARNINGS FOR LDC PRODUCTS IS INCLUDED. AT THE SAME TIME, HE DOES NOT WANT TO SEE AN ENLARGED STABEX AS THE BRITISH HAVE PROPOSED SINCE HE IS OPPOSED TO THE INCREASE IN SUBSIDIES THAT AN ENLARGED STABEX COULD INVOLVE. REICHLING PREFERS A LIMITED NUMBER OF COMMODITY AGREEMENTS (PERHAPS SIX OR SEVEN) FOR KEY PRODUCTS, INCLUDING PETROLEUM, THAT WOULD SEEK TO STABILIZE PRICES THROUGH THE USE OF FINANCIAL ARRANGEMENTS, BUFFER STOCKS, AND, PERHAPS, INDEXATION. IN HIS VIEW, THE ESSENTIAL ELEMENT NEEDED TO PURSUE NEGOTIATIONS WITH DEVELOPING COUNTRIES IS DC WILLINGNESS TO EXPLORE A MEANS OF GUARANTEEING THE REAL RETURN ON THEIR RAW MATERIAL EXPORTS. THIS MAY MEAN THAT THE DC'S WILL EITHER HAVE TO ACCEPT A FORM OF INDEXATION OR DESIGN A SUBSTITUTE SCHEME THAT IS SEEN BY THE LDC'S TO HAVE THE SAME EFFECT ON THEIR EARNINGS.

3. REICHLING, A STRONG SUPPORTER OF GATT, ENTHUSIASTICALLY SUPPORTED THE SECRETARY'S SUGGESTION THAT GATT BE CHARGED WITH THE TASK OF DEVELOPING NEW RULES FOR SUPPLY ACCESS. DESPITE INCREASED PRESSURE FROM DEVELOPING COUNTRIES WITHIN THE GATT, IT IS STILL A TECHNICAL FORUM WITH A CAPABLE SECRETARIAT, AND HE BELIEVES THAT REAL PROGRESS TOWARD A WORLD POLICY ON RAW MATERIALS CAN BE ACHIEVED THERE. THE SCENARIO THAT REICHLING PREFERS IS BILATERAL CONSULTATIONS AMONG MEMBERS OF THE IEA FOLLOWED BY DISCUSSIONS

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LUXEMB 00369 220749Z

WITHIN THE OECD TO ACHIEVE A CONSENSUS AMONG THE DC'S. THESE CONSULTATIONS COULD THEN LEAD TO A NEW CONFERENCE BETWEEN THE PRODUCER AND CONSUMER NATIONS (PREPCON) WHOSE MAIN TASK WOULD BE TO CHARGE EXISTING ORGANIZATIONS (GATT, IBRD) WITH THE SPECIFIC NEGOTIATIONS DECIDED UPON BY THE PREPCON. HOPEFULLY, THIS SCENARIO WOULD MINIMIZE POLEMICS AND MIGHT SUCCEED IN ACHIEVING NORTH-SOUTH AGREEMENT ON GENERAL PRINCIPLES FOR ENERGY

AND RAW MATERIALS WHILE LEAVING THE DETAILS TO BE
NEGOTIATED IN MORE APPROPRIATE FORUMS.FARKAS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, RAW MATERIALS, ENERGY, NATURAL RESOURCES, SPEECHES
Control Number: n/a
Copy: SINGLE
Draft Date: 21 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LUXEMB00369
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750179-0899
From: LUXEMBOURG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750532/aaaabcjz.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 STATE 110686
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 10 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 APR 2003 by Izenbel0>; APPROVED <03 OCT 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SECRETARY'S SPEECH ON ENERGY AND RAW MATERIALS
TAGS: ENRG, US, GATT, (KISSINGER, HENRY A)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006